

JP3 Clause 7-1, Contract Administration

As prescribed in 7.2.1.0.a(1), insert this clause in Section G of solicitations and contracts.

Contract Administration (JAN 2003)

- (a) The contracting officer and contracting officer's technical representative for the contract will be the judiciary's primary points of contact during the performance of the contract. The contracting officer responsible for the administration of this contract will provide a cover letter providing the contracting officer's name, business address, e-mail address, and telephone number. Written communications from the contractor shall make reference to the contract number and shall be mailed to the address provided in the cover letter. Communications pertaining to contract administration matters will be addressed to the contracting officer.
- (b) Notwithstanding the contractor's responsibility for total management during the performance of this contract, the administration of this contract will require the maximum coordination between the judiciary and the contractor. All contract administration will be effected by the contracting officer except as may be re-delegated. In no event will any understanding or agreement, contract modification, change order, or other matter in deviation from the terms of this contract between the contractor and a person other than the contracting officer be effective or binding upon the judiciary. All such actions shall be formalized by a proper contractual document executed by the contracting officer.
(end)

JP3 Clause 7-5, Contracting Officer's Technical Representative

As prescribed in 7.2.10.a.(2), insert this clause in Section G of solicitations and contracts.

Contracting Officer's Technical Representative (JAN 2003)

- (a) Upon award, a contracting officer's technical representative (COTR) may be appointed by the contracting officer. The COTR will be responsible for coordinating the technical aspects of this contract and inspecting products/services furnished hereunder; however, the COTR will not be authorized to change any terms and conditions of the resultant contract, including price.
- (b) The COTR, if appointed, may be assigned one or more of the following responsibilities:
 - (1) monitoring the contractor's performance under the contract to ensure compliance with technical requirements of the contract;
 - (2) notifying the contracting officer immediately if performance is not proceeding satisfactorily;
 - (3) ensuring that changes in work under the contract are not initiated before written authorization or modification is issued by the contracting officer;

- (4) providing the contracting officer a written request and justification for changes;
 - (5) providing interpretations relative to the meaning of technical specifications and technical advice relative to contracting officer's written approvals, and
 - (6) providing general technical guidance to the contractor within the scope of the contract and without constituting a change to the contract.
- (end)

JP3 Clause 7-10, Contractor Representative

As prescribed in 7.2.10.a.(3), insert this clause in Section G of solicitations and contracts.

Contractor Representative (JAN 2003)

- (a) The contractor's representative to be contacted for all contract administration matters is as follows (*contractor complete the information*):
 - Name:
 - Address:
 - Telephone:
 - Email:
 - Fax:
 - (b) The contractor's representative shall act as the central point of contact with the judiciary, shall be responsible for all contract administration issues relative to this contract, and shall have full authority to act for and legally bind the contractor on all such issues.
- (end)

JP3 Clause 7-15, Observance of Regulations/Standards of Conduct

As prescribed in 7.2.10.a.(4), insert this clause in Section I of solicitations and contracts.

Observance of Regulations/Standards of Conduct (JAN 2003)

- (a) When contractor personnel are performing contract work at a judiciary facility, they shall comply with all rules and regulations of the facility, including, but not limited to, rules and regulations governing security, controlled access, personnel clearances and conduct with respect to health and safety and to property at the site, regardless of whether or not title to such property is vested in the judiciary. The facilities to which the contractor has access belong to the judiciary and will not at any time be considered "Judiciary Property" furnished to the contractor.
- (b) The contractor and its employees shall only conduct business covered by the contract during periods paid for by the judiciary, and will not conduct any other business on judiciary premises.

- (c) The contractor shall be responsible for maintaining satisfactory standards of employee competency, conduct, appearance and integrity. It is the contractor's responsibility to take disciplinary action with respect to its employees as may be necessary. The contractor is also responsible for ensuring that its employees do not disturb papers on desks, open desk drawers or cabinets, or use judiciary property (such as, but not limited to, telephones or copiers) except as authorized.
- (end)

JP3 Clause 7-20, Security Requirements

As prescribed in 7.2.10.a.(5), insert this clause in Section I of solicitations and contracts.

Security Requirements (JAN 2003)

The contractor shall provide competent personnel to perform the services under this contract. Work shall be performed in accordance with judiciary security requirements, and the best commercial practices without unnecessary delays or interference with the judiciary's mission or functions. Personnel visiting court sites to provide support covered under this contract may be subjected to FBI screening and U.S. Marshal inspection.

(end)

JP3 Clause 7-25, Indemnification

As prescribed in 7.2.10.a.(6), insert this clause in Section I of solicitations and contracts.

Indemnification (AUG 2004)

- (a) The contractor assumes full responsibility for and shall indemnify the judiciary against any and all losses or damage of whatsoever kind and nature to any and all judiciary property, including any equipment, products, accessories, or parts furnished, while in its custody and care for storage, repairs, or service to be performed under the terms of this contract, resulting in whole or in part from the negligent acts or omissions of the contractor, any subcontractor, or any employee, agent or representative of the contractor or subcontractor.
- (b) If due to the fault, negligent acts (whether of commission or omission) and/or dishonesty of the contractor or its employees, any judiciary-owned or controlled property is lost or damaged as a result of the contractor's performance of this contract, the contractor shall be responsible to the judiciary for such loss or damage, and the judiciary, at its option, may, in lieu of requiring reimbursement therefor, require the contractor to replace at its own expense, all property lost or damaged.
- (c) *Hold Harmless and Indemnification Agreement* The contractor shall save and hold harmless and indemnify the judiciary against any and all liability claims and cost of

- whatsoever kind and nature for injury to or death of any person or persons and for loss or damage to any contractor property or property owned by a third party occurring in connection with or in any way incident to or arising out of the occupancy, use, service, operation, or performance of work under the terms of this contract, resulting in whole or in part from the acts or omissions of the contractor, any subcontractor, or any employee, agent, or representative of the contractor or subcontractor.
- (d) The contractor shall indemnify and hold the judiciary, its employees, and others acting on its behalf harmless against any and all loss, liability, or damage arising out of the negligence, failure to act, fraud, embezzlement, or other misconduct by the contractor, its employees, subcontractors, agents, or representatives of the contractor or subcontractor.
 - (e) *Judiciary's Right of Recovery* Nothing in the above paragraphs will be considered to preclude the judiciary from receiving the benefits of any insurance/bonds the contractor may carry which provides for the indemnification of any loss or destruction of, or damages to, property in the custody and care of the contractor where such loss, destruction or damage is to judiciary property. The contractor shall do nothing to prejudice the judiciary's right to recover against third parties for any loss, destruction of, or damage to, judiciary property, and upon the request of the contracting officer will, at the judiciary's expense, furnish to the judiciary all reasonable assistance and cooperation (including assistance in the prosecution of suit and the execution of instruments of assignment in favor of the judiciary) in obtaining recovery.
 - (f) *Judiciary Liability* The judiciary will not be liable for any injury to the contractor's personnel or damage to the contractor's property unless such injury or damage is due to negligence on the part of the judiciary and is recoverable under the Federal Torts Claims Act, or pursuant to other statutory authority applicable to the judiciary.
- (end)

JP3 Clause 7-30, Public Use of the Name of the Federal Judiciary

| *As prescribed in 7.2.10.a.(7), insert this clause in Section I of solicitations and contracts.*

Public Use of the Name of the Federal Judiciary (JAN 2003)

- (a) The contractor shall not refer to the judiciary, or to any court or other organizational entities existing thereunder (hereinafter referred to as "the judiciary"), in advertising, news releases, brochures, catalogs, television and radio advertising, letters of reference, web sites, or any other media used generally by the vendor in its commercial marketing initiatives, in such a way that it represents or implies that the judiciary prefers or endorses the products or services offered by the contractor. This provision will not be construed as limiting the contractor's ability to refer to the judiciary as one of its customers.

- (b) No public release of information pertaining to this contract will be made without prior judiciary written approval, as appropriate, and then only with written approval of the contracting officer.

(end)

JP3 Clause 7-35, Disclosure or Use of Information

As prescribed in 7.2.10.a.(8), insert this clause in Section I of solicitations and contracts.

Disclosure or Use of Information (AUG 2004)

- (a) Judiciary information made available to the contractor for the performance or administration of this contract shall be used only for those purposes and shall not be used in any other way without the written agreement of the contracting officer. This clause takes precedence over and is an explicit limitation to the rights enumerated in section (b)(2) of Clause 6-60, "Rights in Data - General."
- (b) To the extent the information is otherwise publicly available, it is public information and is not restricted by operation of this clause. However, if public information is provided to the contractor for use in performance or administration of this contract in a media, format, or otherwise in a manner in which it is not available the public, such information may not be used for any other purpose by the contractor except with the written permission of the contracting officer. If the contractor is uncertain about the availability or proposed use of information provided for the performance or administration of this contract, the contractor shall consult with the contracting officer regarding use of that information for other purposes.
- (c) The contractor agrees to assume responsibility for protecting the confidentiality of judiciary records which are not public information. Such information may include, but is not limited to, all employee data and any written and oral information of a personal nature. Such information is to be safeguarded to ensure that it is not improperly disclosed. Each officer or employee of the contractor to whom information may be made available or disclosed shall be notified in writing by the contractor that such information may be disclosed only for a purpose and to the extent authorized herein, and that further disclosure of any such information for a purpose or to an extent not so authorized may subject the person(s) responsible to criminal sanctions imposed by 18 U.S.C. § 641. That section provides, in pertinent part, that whoever without authority, sells, conveys, or disposes of any record of the United States or whoever receives the same with intent to convert it to their use or gain, knowing it to have been converted, will be guilty of a crime punishable by a fine up to \$10,000, or imprisoned up to ten years, or both. The contractor shall obtain written acknowledgment from each officer and employee to whom information is made available, that they are aware of the above penalties associated with authorized disclosure. Such acknowledgments are subject to the review of the contracting officer.

- (d) Performance of this contract may require the contractor to access and use data and information, proprietary to the judiciary or to a judiciary contractor, which is of such a nature that its dissemination or use, other than in performance of this contract, would be adverse to the interests of the judiciary and/or others.
- (e) Contractor and/or contractor personnel shall not divulge or release data or information developed or obtained in performance of this contract until made public by the judiciary, except as authorized by the contracting officer. The contractor shall not use, disclose, or reproduce proprietary data which bears a restrictive legend, other than as required in the performance of this contract. Nothing herein will preclude the use of any data independently acquired by the contractor without such limitations or prohibit an agreement at no cost to the judiciary between the contractor and the data owner which provides for greater rights to the contractor.
- (f) The judiciary and contractor agree that neither expects the performance under this contract to involve reporting or handling of classified information or materials. Either party shall notify the other promptly in writing if the expectation of that party changes, and shall include in the notice reasons therefore. If there are sealed records, in camera proceedings or grand jury matters, the contractor shall consult with the contracting officer as to the proper safeguarding, security, and secrecy of the original notes and transcript orders.
- (g) The contracting officer will advise the contractor whenever the judiciary places a service order which will require classified information or materials. The contractor will have the right to decline to provide services, in which event such services shall be outside the scope of this contract.
- (h) The contractor shall hold inviolate and in strictest confidence any and all information of an official nature not for inclusion in the document, any information which the presiding judicial official designates as "off the record" and all classified information and material.
- (i) The contractor shall classify, safeguard, and otherwise act with respect to all classified information and material in accordance with applicable law and requirements of the contracting officer. The contractor shall not permit any individual to have or gain access to the classified information or material without written permission of the contracting officer, except as access may be necessary for authorized employees of the contractor to perform services under this contract.
- (j) Notwithstanding any other provision of this contract, the contractor may deliver transcript containing classified material or information only to the judiciary. The contractor shall never sell or deliver such document to a private person without the express written permission of the contracting officer. Notwithstanding any other provision of this contract, the contractor shall never keep a copy of a document containing classified material or information after the delivery of the original to the contracting officer.

(end)

JP3 Clause 7-40, Judiciary - Contractor Relationships

As prescribed in 7.2.10.b., insert this clause in Section I of solicitations and contracts.

Judiciary - Contractor Relationships (JAN 2003)

- (a) The judiciary and the contractor understand and agree that the services to be delivered under this contract by the contractor to the judiciary are non-personal services. The parties recognize and agree that no employer-employee or master-servant relationships exist or will exist under the contract between the judiciary and the contractor and/or between the judiciary and the contractor's employees. It is therefore, in the best interest of the judiciary to afford the parties a full and complete understanding of their respective obligations.
- (b) The contractor and/or the contractor's personnel under this contract shall not:
 - (1) be placed in a position where they are appointed or employed by a federal officer, or are under the supervision, direction, or evaluation of a federal officer;
 - (2) be placed in a staff or policy making position;
 - (3) be placed in a position of command, supervision, administration or control over judiciary personnel or the personnel of other contractors, or become a part of the judiciary organization;
 - (4) be used for the purpose of avoiding manpower ceilings or other personnel rules and regulations.
- (c) *Employee Relationship*
 - (1) The services to be performed under this contract do not require the contractor or its employees to exercise personal judgement and discretion on behalf of the judiciary. The contractor's employees will act and exercise personal judgement and discretion on the behalf of the contractor, as directed by the contractor's supervisory personnel, and in accordance with the contract terms and conditions.
 - (2) Rules, regulations, directions, and requirements issued by the judiciary under the judiciary's responsibility for good order, administration, security, and safety are applicable to all personnel physically located on-site, inclusive of contractor personnel who are required under the terms and conditions of this contract to be so located.. This is not to be construed or interpreted to establish any degree of judiciary control which is inconsistent with a non-personal services contract.

(end)

JP3 Clause 7-45, Travel

As prescribed in 7.2.10.c., insert this clause in Section H of solicitations and contracts.

Travel (JAN 2003)

The contractor may propose travel costs based on Judiciary Travel Regulations if travel is allowable and required by the contract. Proposed per diem and automobile expense will be based on Judiciary Travel Regulations (JTR).

(end)

JP3 Clause 7-50, Parking

As prescribed in 7.2.10.d., insert this clause in Section H of solicitations and contracts.

Parking (JAN 2003)

There is no contractor parking available at the Administrative Office (AO). In the event that this contract requires the delivery of equipment or materials to the AO, the contractor shall park delivery vehicles at designated locations within the AO Complex ONLY WHILE LOADING AND UNLOADING THE VEHICLE. Arrangements for pick-up and delivery at the AO shall be coordinated with the COTR and made in accordance with building management policies.

(end)

JP3 Clause 7-55, Contractor Use of Judiciary Networks

As prescribed in 7.2.10.e., insert this clause in Section H of solicitations and contracts.

Contractor Use of Judiciary Networks (JAN 2003)

- (a) The judiciary is obligated and committed to ensuring that judiciary property and resources are used appropriately and for the public interest. The judiciary shall confront issues involving contractors and their employees to ensure that judiciary property and resources equating to taxpayer dollars are not wasted or used inappropriately.
- (b) Whenever authorized as a user of judiciary networks, the contractor, subcontractor, teaming partner, and all employees (hereinafter referred to as “entities”), shall **not** perform or participate, directly or indirectly, in any of the following:
 - (1) accessing internet sites which may be inappropriate or reflect poorly on the judiciary: Unless accessing internet sites is case-related, entities shall refrain from creating, downloading, viewing, storing, copying, and transmitting sexually-explicit or sexually-oriented materials which are never appropriate and may be

illegal in some cases. Internet sites capture the domain name of all sites accessing them and maintain a record of this information. It could be embarrassing to the judiciary if the judiciary's domain name were found on the access records of inappropriate sites;

- (2) logging onto video or audio sites, such as broadcast services or radio stations and downloading music files. This consumes significant disk space on local computers and may be a violation of copyright law. Each of the several thousand video clips downloaded daily can be equal to downloading a 400-page memorandum;
- (3) using judiciary systems to send or receive e-mails containing greeting cards, political statements, jokes, pictures, chain letters or other unauthorized mass mailings, regardless of the subject matter, and other items of a personal nature;
- (4) sending large attachments unless required for official business. Video, sound, or other large file attachments consume large amounts of network capacity. E-mail attachments, large files, and executable programs present two problems. First, large attachments consume network capacity and storage space on both national and local e-mail servers and desktops, slowing the network down for everyone. Second, executable programs present a risk for infection by computer viruses;
- (5) participating in chat rooms or using "instant messaging" software;
- (6) checking personal e-mail accounts over the judiciary's network;
- (7) using the network connection for personal commercial purposes, private gain, or illegal activities. Unless use is required for official judiciary and contract-related business, all entities shall refrain from using the network connection for commercial purposes (including shopping). It is also inappropriate to use the network connection in support of outside employment activities (including consulting for pay, sales or administration of business transactions, and sales of products or services) or for illegal activities (such as gambling or hacking);
- (8) using the e-mail or the network connection for offensive activities. It is inappropriate to use e-mail or the internet to access, send, or receive information on, or in support of, activities that are illegal or offensive. Such activities include, but are not limited to, hate speech or material that ridicules or degrades others on the basis of race, creed, religion, color, sex, disability, national origin, or sexual orientation.

(end)

JP3 Provision 7-60, Judiciary-Furnished Property or Services

As prescribed in 7.3.1.c.(1), insert this provision in Section L of solicitations.

Judiciary-Furnished Property or Services (JAN 2003)

No property or services will be furnished by the judiciary unless specifically provided for in the solicitation.

(end)

JP3 Clause 7-65, Protection of Judiciary Buildings, Equipment, and Vegetation

As prescribed in 7.3.1.c.(2), insert this clause in Section I of solicitations and contracts.

Protection of Judiciary Buildings, Equipment, and Vegetation (JAN 2003)

The contractor shall use reasonable care to avoid damaging buildings, equipment, and vegetation (such as trees, shrubs, and grass) on the judiciary installation. If the contractor's failure to use reasonable care causes damage to any of this property, the contractor shall replace or repair the damage at no expense to the judiciary, as the contracting officer directs. If the contractor fails or refuses to make such repair or replacement, the contractor shall be liable for the cost, which may be deducted from the contract price.

(end)

JP3 Clause 7-70, Judiciary Property Furnished "As Is"

As prescribed in 7.3.1.c.(3), insert this clause in Section I of solicitations and contracts.

Judiciary Property Furnished "As Is" (JAN 2003)

- (a) The judiciary makes no warranty whatsoever with respect to judiciary property furnished "as is," except that the property is in the same condition when placed at the F.o.b. point specified in the solicitation as when inspected by the contractor pursuant to the solicitation or, if not inspected by the contractor, as when last available for inspection under the solicitation.
- (b) The contractor may repair any property made available on an "as is" basis. Such repair will be at the contractor's expense except as otherwise provided in this clause. Such property may be modified at the contractor's expense, but only with the written permission of the contracting officer. Any repair or modification of property furnished "as is" shall not affect the title of the judiciary.

- (c) If there is any change in the condition of judiciary property furnished "as is" from the time inspected or last available for inspection under the solicitation to the time placed on board at the location specified in the solicitation, and such change will adversely affect the contractor, the contractor shall, upon receipt of the property, notify the contracting officer detailing the facts and, as directed by the contracting officer, either (1) return such property at the judiciary's expense or otherwise dispose of the property or (2) effect repairs to return the property to its condition when inspected under the solicitation or, if not inspected, last available for inspection under the solicitation. After completing the directed action and upon written request of the contractor, the contracting officer will equitably adjust any contractual provisions affected by the return, disposition, or repair in accordance with the procedures provided for in the Changes clause of this contract. The foregoing provisions for adjustment are the exclusive remedy available to the contractor, and the judiciary shall not be otherwise liable for any delivery of judiciary property furnished "as is" in a condition other than that in which it was originally offered.
- (d) Except as otherwise provided in this clause, judiciary property furnished "as is" shall be governed by the Judiciary Property clause of this contract.

(end)

JP3 Clause 7-75, Subcontracts

As prescribed in 7.4.1.a. and 7.4.1.d.(1), insert this clause in Section I of solicitations and contracts.

Subcontracts (JAN 2003)

- (a) *Definitions* as used in this clause:
 - “Approved purchasing system” means a contractor’s purchasing system that has been reviewed and approved in writing.
 - “Consent to subcontract” means the contracting officer’s written consent for the contractor to enter into a particular subcontract.
 - “Subcontract” means any contract entered into by a subcontractor to furnish products or services for performance of the prime contract or a subcontract. It includes, but is not limited to, purchase orders, and changes and modifications to purchase orders.
- (b) This clause does not apply to subcontracts for special test equipment.
- (c) When this clause is included in a fixed-price type contract, consent to subcontract is required only on unpriced contract actions (including unpriced modifications or unpriced purchase/delivery/task orders), and only if required in accordance with paragraph (d) or (e) of this clause.
- (d) If the contractor does not have a written approved purchasing system, consent to subcontract is required for any subcontract that:

- (1) is of the cost-reimbursement, time-and-materials, or labor-hour type; or
- (2) is fixed price and exceeds either the judiciary's small purchase threshold or 5 percent of the total estimated cost of the contract.
- (e) If the contractor has a written approved purchasing system, the contractor nevertheless shall obtain the contracting officer's written consent before placing the following subcontracts:

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- (f) (1) The contractor shall notify the contracting officer reasonably in advance of placing any subcontract or modification thereof for which consent is required under paragraph (c), (d), or (e) of this clause, including the following information:
 - (i) a description of the products or services to be subcontracted;
 - (ii) identification of the type of subcontract to be used;
 - (iii) identification of the proposed subcontractor;
 - (iv) the proposed subcontract price;
 - (v) the subcontractor's current, complete, and accurate cost or pricing data and Certificate of Current Cost or Pricing Data, if required by other contract provisions;
 - (vi) the subcontractor's Disclosure Statement or Certificate relating to Cost Accounting Standards when such data are required by other provisions of this contract;
 - (vii) a negotiation memorandum reflecting:
 - (A) the principal elements of the subcontract price negotiations;
 - (B) the most significant considerations controlling establishment of initial or revised prices;
 - (C) the reason cost or pricing data were or were not required;
 - (D) the extent, if any, to which the contractor did not rely on the subcontractor's cost or pricing data in determining the price objective and in negotiating the final price;
 - (E) the extent to which it was recognized in the negotiation that the subcontractor's cost or pricing data were not accurate, complete, or current; the action taken by the contractor and the subcontractor; and the effect of any such defective data on the total price negotiated;
 - (F) the reasons for any significant difference between the contractor's price objective and the price negotiated; and
 - (G) a complete explanation of the incentive fee or profit plan when incentives are used. The explanation shall identify each critical performance element, management decisions used to quantify each incentive element, reasons for the incentives, and a summary of all trade-off possibilities considered.

- (2) If the contractor has a written approved purchasing system and consent is not required under paragraph (c), (d), or (e) of this clause, the contractor nevertheless shall notify the contracting officer reasonably in advance of entering into any (i) cost-plus-fixed-fee subcontract, or (ii) fixed-price subcontract that exceeds either the small purchases threshold or 5 percent of the total estimated cost of this contract. The notification shall include the information required by paragraphs (f)(1)(i) through (f)(1)(iv) of this clause.
- (g) Unless the consent or approval specifically provides otherwise, neither consent by the contracting officer to any subcontract nor approval of the contractor's purchasing system will constitute a determination:
 - (1) of the acceptability of any subcontract terms or conditions;
 - (2) of the allowability of any cost under this contract; or
 - (3) to relieve the contractor of any responsibility for performing this contract.
- (h) No subcontract or modification thereof placed under this contract shall provide for payment on a cost-plus-a-percentage-of-cost basis, or any fee payable under cost-reimbursement type subcontracts will not exceed the fee limitations.
- (i) The contractor shall give the contracting officer immediate written notice of any action or suit filed and prompt notice of any claim made against the contractor by any subcontractor or vendor that, in the opinion of the contractor, may result in litigation related in any way to this contract, with respect to which the contractor may be entitled to reimbursement from the judiciary.
- (j) The judiciary reserves the right to review the contractor's purchasing system.
- (k) Paragraphs (d) and (f) of this clause do not apply to the following subcontracts, which were evaluated during negotiations.

(end)

JP3 Clause 7-80, Competition in Subcontracting

As prescribed in 7.4.1.d.(2), insert this clause in Section I of solicitations and contracts.

Competition in Subcontracting (JAN 2003)

The contractor shall select subcontractors (including suppliers) on a competitive basis to the maximum practical extent consistent with the objectives and requirements of the contract.

(end)

JP3 Clause 7-85, Examination of Records

As prescribed in 7.5.2.b., insert this clause in Section I of solicitations and contracts.

Examination of Records (JAN 2003)

- (a) The judiciary will have access to and the right to examine any directly pertinent books, documents, papers, or other records of the contractor involving transactions related to this contract, until three years after final payment under this contract, or for any shorter period specified for particular records.
 - (b) The contractor agrees to include in all subcontracts under this contract a provision to the effect that the judiciary will have until three years after final payment under the contract, or for any shorter specified period for particular records, have access to and the right to examine any directly pertinent books, documents, papers, or other records of the subcontractor involving transactions related to the subcontract. The term subcontract as used in this clause excludes:
 - (1) purchase orders; and
 - (2) subcontracts for public utility services at rates established for uniform applicability to the general public.
- (end)

JP3 Clause 7-95, Contractor Inspection Requirements

As prescribed in 7.6.6.e.(1), insert this clause in Section I of solicitations and contracts.

Contractor Inspection Requirements (JAN 2003)

The contractor is responsible for performing or having performed all inspections and tests necessary to substantiate that the products or services furnished under this contract conform to contract requirements, including any applicable technical requirements for specified manufacturers' parts. This clause takes precedence over any judiciary inspection and testing required in the contract's specifications, except for specialized inspections or tests specified to be performed solely by the judiciary.

(end)

JP3 Clause 7-100A, Limitation of Liability (Products)

As prescribed in 7.6.6.e.(2), insert this clause in Section I of the solicitation.

Limitation of Liability (Products) (JAN 2003)

- (a) Except as provided in paragraphs (b) and (c) this clause, and except for remedies expressly provided elsewhere in this contract, the contractor shall not be liable for loss of or damage to property of the judiciary excluding the products delivered under this contract) that:
 - (1) occurs after judiciary acceptance of the products delivered under this contract; and
 - (2) results from any defects or deficiencies in the products.
- (b) The limitation of liability under paragraph (a) of this clause shall not apply when a defect or deficiency in, or the judiciary's acceptance of, the products results from willful misconduct or lack of good faith on the part of any of the contractor's managerial personnel. The term "contractor's managerial personnel," as used in this clause, means the contractor's directors, officers, and any of the contractor's managers, superintendents, or equivalent representatives who have supervision or direction of:
 - (1) all or substantially all of the contractor's business;
 - (2) all or substantially all of the contractor's operations at any one plant, laboratory, or separate location at which the contract is being performed; or
 - (3) a separate and complete major industrial operation connected with the performance of this contract.
- (c) If the contractor carries insurance, or has established a reserve for self-insurance, covering liability for loss or damage suffered by the judiciary through purchase or use of the products required to be delivered under this contract or the contractor's performance of services or furnishing of materials under this contract, the contractor shall be liable to the judiciary, to the extent of such insurance or reserve, for loss of or damage to property of the judiciary occurring after judiciary acceptance of, and resulting from any defects or deficiencies in, the products delivered under this contract.

(end)

JP3 Clause 7-100B, Limitation of Liability (Services)

As prescribed in 7.6.6.e.(3), insert this clause in Section I of the solicitation.

Limitation of Liability (Services) (JAN 2003)

- (a) Except as provided in paragraphs (b) and (c) of this clause, and except to the extent that the contractor is expressly responsible under this contract for deficiencies in the services required to be performed under it (including any materials furnished in conjunction with

- those services), the contractor shall not be liable for loss of or damage to property of the judiciary that:
- (1) occurs after judiciary acceptance of services performed under this contract; and
 - (2) results from any defects or deficiencies in the services performed or materials furnished.
- (b) The limitation of liability under paragraph (a) of this clause shall not apply when a defect or deficiency in, or the judiciary's acceptance of, services performed or materials furnished results from willful misconduct or lack of good faith on the part of any of the contractor's managerial personnel. The term "contractor's managerial personnel," as used in this clause, means the contractor's directors, officers, and any of the contractor's managers, superintendents, or equivalent representatives who have supervision or direction of:
- (1) all or substantially all of the contractor's business;
 - (2) all or substantially all of the contractor's operations at any one plant, laboratory, or separate location at which the contract is being performed; or
 - (3) a separate and complete major industrial operation connected with the performance of this contract.
- (c) If the contractor carries insurance, or has established a reserve for self-insurance, covering liability for loss or damage suffered by the judiciary through the contractor's performance of services or furnishing of materials under this contract, the contractor shall be liable to the judiciary, to the extent of such insurance or reserve, for loss of or damage to property of the judiciary occurring after judiciary acceptance of, and resulting from any defects and deficiencies in, services performed or materials furnished under this contract.

(end)

JP3 Clause 7-105, Certificate of Conformance

As prescribed in 7.6.9.b., insert this clause in Section E of solicitations and contracts.

Certificate of Conformance (JAN 2003)

- (a) The contractor shall provide a Certificate of Conformance with any products for which the contract would otherwise require inspection at source. In no case will the judiciary's right to inspect products under the inspection provisions of this contract be prejudiced. Shipments or deliveries of such products will not be made under this contract until use of the Certificate of Conformance has been authorized in writing by the contracting officer or inspection and acceptance have occurred.
- (b) The contractor's signed certificate shall be attached to each invoice provided to a court and the Administrative Office of the U.S. Courts. In addition, a copy of the signed certificate shall also be attached to or entered on copies of the inspection or receiving report accompanying the shipment.

- (c) The judiciary has the right to reject defective products or services within a reasonable time after delivery by written notification to the contractor. The contractor shall in such event promptly replace, correct, or repair the rejected products or services at the contractor's expense.
- (d) The certificate shall read as follows:
- “I certify that during the period covered by the attached invoice, _____ *[insert contractor's name]* furnished the products and/or services called for by _____ *[insert contract number]* via _____ *[insert carrier]* on _____ *[identify the bill of lading or shipping document]* in accordance with all applicable requirements. I further certify that the products and/or services are of the quality specified and conform in all respects with the contract requirements, including specifications, drawings, preservation, packaging, packing, marking requirements, and physical item identification (part number), and are in the quantity shown on this or on the attached acceptance document.

Date of execution: _____

Signature: _____

Title: _____”

(end)

JP3 Clause 7-110, Bankruptcy

As prescribed in 7.6.13.d., insert this clause in Section I of solicitations and contracts.

Bankruptcy (JAN 2003)

In the event the contractor enters into proceedings relating to bankruptcy, whether voluntary or involuntary, the contractor agrees to furnish, by certified mail or electronic commerce method authorized by the contract, written notification of the bankruptcy to the contracting officer responsible for administering the contract. This notification shall be furnished within five calendar days of the initiation of the bankruptcy proceedings relating to bankruptcy filing. This notification shall include the date on which the bankruptcy petition was filed, the identity of the court in which the petition was filed, and a list of judiciary contract numbers and contracting offices for all judiciary contracts pursuant to which final payment has not been made. This obligation remains in effect until final payment under this contract.

(end)

JP3 Clause 7-115, Availability of Funds

As prescribed in 7.7.1.g.(1), insert the following clause in Section I of solicitations and contracts.

Availability of Funds (JAN 2003)

Funds are not presently available for this contract. The judiciary's obligation under this contract is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the judiciary for any payment may arise until funds are made available to the contracting officer for this contract and until the contractor receives notice of such availability, to be confirmed in writing by the contracting officer.

(end)

JP3 Clause 7-120, Availability of Funds for the Next Fiscal Year

As prescribed in 7.7.1.g.(2), insert the following clause in Section I of solicitations and contracts.

Availability of Funds for the Next Fiscal Year (JAN 2003)

Funds are not presently available for performance under this contract beyond _____. The judiciary's obligation for performance of this contract beyond that date is contingent upon the availability of appropriated funds from which payment for contract purposes can be made. No legal liability on the part of the judiciary for any payment may arise for performance under this contract beyond _____, until funds are made available to the contracting officer for performance and until the contractor receives notice of availability, to be confirmed in writing by the contracting officer.

(end)

JP3 Clause 7-125, Invoices

As prescribed in 7.7.2.c., insert this clause in Section G of solicitations and contracts.

Invoices (JAN 2003)

- (a) Invoices shall be submitted in an original and two (2) copies to the address specified on the SF 26 or SF 33 as applicable, or as otherwise specified with this contract. Invoices shall be submitted in accordance with the schedule for payments as set forth elsewhere under this contract.

- (b) The office that will make payments due under this contract will be designated as specified in the contract at the time of contract award.
- (c) To constitute a proper invoice, the billing document shall include the following information and/or attached documentation:
 - (1) name of business concern and such business's Taxpayer Identification Number;
 - (2) period(s) covered by invoice and invoice date;
 - (3) purchase/delivery/task order or contract number or other authorization for delivery of property or services;
 - (4) for each line item - general description of product delivered or services rendered, measured unit, and associated price;
 - (5) payment terms;
 - (6) total amount billed;
 - (7) a subtotal of any and all fees or credits applied to the invoice;
 - (8) an amount due (if any) or credit balance;
 - (9) name (where practicable), title, phone number, fax number, and complete mailing address of the responsible official to whom payment is to be sent. The "remit to" address shall correspond to the remittance address in the contract;
 - (10) other substantiating documentation or information as required by the purchase/delivery/task order or contract;
 - (11) all follow-up invoices shall be marked "Duplicate of Original." Contractor questions regarding payment information or check identification shall be directed to the relevant paying authority specified in the contract.

Alternate I - As prescribed in 5.2.1.o.(6), and when applicable, the contracting officer must substitute the following paragraph (c)(4) for paragraphs (c)(4) of the basic Clause 7-125.

- (4) All invoices for services under this agreement shall indicate in detail the following:
 - (i) person performing service each day by hour and part of an hour;
 - (ii) services performed each day by hour and part of an hour.
 - (iii) rates and charges for each service so detailed; and
 - (iv) individual expenses charged, if allowed under this agreement.

Note: Minimum charges for portions of an hour may be allowed, if such a charging practice has been disclosed before award of this agreement.

(end)

JP3 Clause 7-130, Interest (Prompt Payment)

As prescribed in 7.7.3.c., insert this clause in Section I of solicitations and contracts.

Interest (Prompt Payment) (JAN 2003)

The provisions of the Prompt Payment Act of 1982 and OMB Budget Circular A-125 concerning interest on overdue payments are not applicable to the judiciary. Therefore, interest is not payable under this contract for overdue payments.

(end)

JP3 Clause 7-135, Payments

As prescribed in 7.7.3.e.(1), insert this clause in Section I of solicitations and contracts.

Payments (JAN 2003)

The judiciary will pay the contractor, upon the submission of proper invoices or vouchers, the prices stipulated in this contract for products delivered and accepted or services rendered and accepted, less any deductions provided in this contract. Unless otherwise specified in this contract, payment will be made on partial deliveries accepted by the judiciary if:

- (1) the amount due on the deliveries warrants it; or
- (2) the contractor requests it and the amount due on the deliveries is at least \$1,000 or 50 percent of the total contract price.

(end)

JP3 Clause 7-140, Discounts for Prompt Payment

As prescribed in 7.7.3.e.(2), insert this clause in Section I of solicitations and contracts.

Discounts for Prompt Payment (JAN 2003)

- (a) Discounts for prompt payment will not be considered in the evaluation of offers. However, any offered discount will form a part of the award, and will be taken if payment is made within the discount period indicated in the offer by the offeror. As an alternative to offering a discount for prompt payment in conjunction with the offer, offerors awarded contracts may include discounts for prompt payment on individual invoices.
- (b) In connection with any discount offered for prompt payment, time will be computed from the date of the invoice. If the contractor has not placed a date on the invoice, the due date will be calculated from the date the designated billing office receives a proper invoice,

provided the judiciary annotates such invoice with the date of receipt at the time of receipt. For the purpose of computing the discount earned, payment will be considered to have been made on the date that appears on the payment check or, for an electronic funds transfer, the specified payment date. When the discount date falls on a Saturday, Sunday, or legal holiday when judiciary offices are closed and judiciary business is not expected to be conducted, payment may be made on the following business day.

(end)

JP3 Clause 7-145, Government Purchase Card

As prescribed in 7.7.3.e.(3), insert this clause in Section I of solicitations and contracts

Government Purchase Card (JAN 2003)

- (a) Card holders may use an authorized government purchase card to make payments for orders placed against this contract.
- (b) Purchase Card Terms - In accepting the purchase card as payment, the contractor agrees to abide by the terms of the GSA purchase card contract.
- (c) Backorder - In accordance with the GSA purchase card contract, the contractor may not charge for back-ordered products before shipment,
- (d) Taxes - Government purchases are generally not subject to state or local taxes, with limited exceptions in Arizona, New Mexico and Hawaii.
- (e) Unauthorized card - If the contractor determines that the card bearer is not an authorized cardholder, or that the card is not an authorized government purchase card, then the contractor shall immediately notify the contracting officer.
- (f) Disputes - Any purchase card disputes will be resolved in accordance with the GSA purchase card contract.
- (f) Payments - Purchase card payments will be made in accordance with the GSA purchase card contract.

(end)

JP3 Clause 7-150, Extras

As prescribed in 7.7.3.e.(4), insert the following clause in Section I of solicitations and contracts.

Extras (JAN 2003)

Except as otherwise provided in this contract, no payment for extras will be made unless such extras, and the price for such extras, have been authorized in writing by the contracting officer.

(end)

JP3 Clause 7-155, Certification of Final Indirect Costs

As prescribed in 7.7.3.e.(5), insert this clause in Section I of solicitations and contracts.

Certification of Final Indirect Costs (JAN 2003)

- (a) The contractor shall:
 - (1) certify any offer to establish or modify final indirect cost rates;
 - (2) use the format in paragraph (c) of this clause to certify; and
 - (3) have the certificate signed by an individual of the contractor's organization at a level no lower than a vice president or chief financial officer of the business segment of the contractor that submits the offer.
- (b) Failure by the contractor to submit a signed certificate, as described in this clause, may result in final indirect costs at rates unilaterally established by the contracting officer.
- (c) The certificate of final indirect costs shall read as follows:

Certificate of Final Indirect Costs

This is to certify that I have reviewed this offer to establish final indirect cost rates and to the best of my knowledge and belief:

- (1) all costs included in this offer _____ (*identify offer and date*) to establish final indirect cost rates for _____ (*identify period covered by rate*) are allowable in accordance with the cost principles in JP3 Chapter 4 applicable to the contracts to which the final indirect cost rates will apply; and
- (2) this offer does not include any costs which are expressly unallowable under cost principles of JP3 Chapter 4.

Firm: _____

Signature: _____

Name of Certifying Official: _____

Title: _____

Date of Execution: _____

(end)

JP3 Clause 7-160, Limitation on Withholding of Payments

As prescribed in 7.7.4.d., insert this clause in Section I of solicitations and contracts.

Limitation on Withholding of Payments (JAN 2003)

If more than one clause or schedule term of this contract authorizes the temporary withholding of amounts otherwise payable to the contractor for products delivered or services performed, the total of the amounts withheld at any one time shall not exceed

the greatest amount that may be withheld under any one clause or schedule term at that time; *provided*, that this limitation shall not apply to:

- (1) withholdings pursuant to any clause relating to wages or hours of employees;
- (2) withholdings not specifically provided for by this contract;
- (3) the recovery of overpayments; and
- (4) any other withholding for which the contracting officer determines that this limitation is inappropriate.

(end)

JP3 Clause 7-165, Penalties for Unallowable Costs

As prescribed in 7.7.5.e.(1), insert this clause in Section I of solicitations and contracts.

Penalties for Unallowable Costs (JAN 2003)

- (a) *Definition* "Offer," as used in this clause, means either:
 - (1) a final indirect cost rate offer submitted by the contractor after the expiration of its fiscal year which:
 - (i) relates to any payment made on the basis of billing rates; or
 - (ii) will be used in negotiating the final contract price; or
 - (2) the final statement of costs incurred and estimated to be incurred under the Incentive Price Revision clause (if applicable), which is used to establish the final contract price.
- (b) Contractors which include unallowable indirect costs in an offer may be subject to penalties. The penalties are prescribed in 10 U.S.C. § 2324 or 41 U.S.C. § 256, as applicable
- (c) The contractor shall not include in any offer any cost that is unallowable, as defined in JP3 Chapter 4.
- (d) If the contracting officer determines that a cost submitted by the contractor in its offer is expressly unallowable, the contractor shall be assessed a penalty equal to:
 - (1) the amount of the disallowed cost allocated to this contract; plus
 - (2) simple interest, to be computed:
 - (i) on the amount the contractor was paid on a billing payment in excess of the amount to which the contractor was entitled; and
 - (ii) using the applicable rate effective for each six-month interval prescribed by the Secretary of the Treasury pursuant to Pub. L. 92-41 (85 Stat. 97).
- (e) If the contracting officer determines that a cost submitted by the contractor in its offer includes a cost previously determined to be unallowable for that contractor, then the contractor will be assessed a penalty in an amount equal to two times the amount of the disallowed cost allocated to this contract.
- (f) Determinations under paragraphs (d) and (e) of this clause are final decisions.

- (g) In certain cases, the contracting officer may waive the penalties in paragraph (d) or (e) of this clause. The contracting officer will provide a written determination of the reasons for the waiver in the contract file.
- (h) Payment by the contractor of any penalty assessed under this clause does not constitute repayment to the judiciary of any unallowable cost which has been paid by the judiciary to the contractor.

(end)

JP3 Clause 7-170, Notice of Intent to Disallow Costs

As prescribed in 7.7.5.e.(2), insert this clause in Section I of solicitations and contracts.

Notice of Intent to Disallow Costs (JAN 2003)

- (a) Notwithstanding any other clause of this contract:
 - (1) The contracting officer may at any time issue to the contractor a written notice of intent to disallow specified costs incurred or planned for incurrence under this contract that have been determined not to be allowable under the contract terms; and
 - (2) The contractor may, after receiving a notice under paragraph (a)(1) of this clause, submit a written response to the contracting officer, with justification for allowance of the costs. If the contractor does respond within 60 days, the contracting officer will, within 60 days of receiving the response, either make a written withdrawal of the notice or issue a written decision.
- (b) Failure to issue a notice under this Notice of Intent to Disallow Costs clause will not affect the judiciary's rights to take exception to incurred costs.

(end)

JP3 Clause 7-175, Assignment of Claims

As prescribed in 7.7.7.d.(1), insert this clause in Section I of solicitations and contracts.

Assignment of Claims (JAN 2003)

- (a) The contractor may assign its rights to be paid amounts due or to become due as a result of the performance of this contract to a bank, trust company, or other financing institution, including any federal lending agency. The assignee under such an assignment may thereafter further assign or reassign its right under the original assignment to any type of financing institution described in the preceding sentence.
- (b) Any assignment or reassignment authorized under this clause will cover all unpaid amounts payable under this contract, and will not be made to more than one party,

except that an assignment or reassignment may be made to one party as agent or trustee for two or more parties participating in the financing of this contract.

- (c) The contractor shall not furnish or disclose to any assignee under this contract any sensitive or classified document (including this contract) or information related to work under this contract unless the contracting officer authorizes such action in writing.
(end)

JP3 Clause 7-180, Prohibition of Assignment of Claims

As prescribed in 7.7.7.d.(2), insert this clause in Section I of solicitations and contracts.

Prohibition of Assignment of Claims (JAN 2003)

The assignment of claims under the Assignment of Claims Act of 1940, as amended, 31 U.S.C. § 3727, 41 U.S.C. § 15, is prohibited for this contract.
(end)

JP3 Clause 7-185, Changes

As prescribed in 7.8.7.e.(1), insert this clause in Section I of solicitations and contracts.

Changes (JAN 2003)

- (a) The contracting officer may at any time, by written order, and without notice to the sureties, if any, make changes within the general scope of this contract in any one or more of the following:
 - (1) drawings, designs, or specifications when the products to be furnished are to be specially manufactured for the judiciary in accordance with the drawings, designs, or specifications;
 - (2) statement of work or description of services to be performed;
 - (3) method of shipment or packing of products;
 - (4) place of delivery of products or place of performance;
 - (5) delivery or performance schedule, time (i.e. hours of the day, days of the week, etc.) or place of delivery or performance of services;
 - (6) judiciary-furnished property or facilities.
- (b) Any other written or oral order (including direction, instruction, interpretation, or determination) from the contracting officer that causes a change will be treated as a change order under this clause, provided that the contractor gives the contracting officer written notice stating (1) the date, circumstances, and source of the order and (2) that the contractor regards the order as a change order.
- (c) If any such change causes an increase or decrease in the cost of, or the time required for, performance of any part of the work under this contract, whether or not changed by the

- order, the contracting officer will make an equitable adjustment in the contract price, the delivery schedule, or both, and will modify the contract.
- (d) The contractor shall assert its right to an adjustment within 30 days from the date of receipt of the written order. However, if the contracting officer decides that the facts justify it, the contracting officer may receive and act upon an offer submitted before final payment of the contract.
 - (e) If the contractor's offer includes the cost of property made obsolete or excess by the change, the contracting officer will have the right to prescribe the manner of the disposition of the property.
 - (f) Failure to agree to any adjustment is a dispute under the Disputes clause. However, nothing in this clause will excuse the contractor from proceeding with the contract as changed.
 - (g) No products or services for which an additional cost or fee will be charged by the contractor will be furnished without the prior written authorization of the contracting officer.

(end)

JP3 Clause 7-190, Change Order Accounting

As prescribed in 7.8.7.e.(2), insert this clause in Section I of solicitations and contracts.

Change Order Accounting (JAN 2003)

The contracting officer may require change order accounting whenever the estimated cost of a change or series of related changes exceeds the judiciary's small purchase threshold. The contractor, for each change or series of related changes, shall maintain separate accounts, by job order or other suitable accounting procedure, of all incurred segregable, direct costs (less allocable credits) of work, both changed and not changed, allocable to the change. The contractor shall maintain such accounts until the parties agree to an equitable adjustment for the changes ordered by the contracting officer or the matter is conclusively disposed of in accordance with the Disputes clause.

(end)

JP3 Clause 7-195, Excusable Delays

As prescribed in 7.8.8.f.(3), insert this clause in Section I of solicitations and contracts.

Excusable Delays (JAN 2003)

- (a) Except for defaults of subcontractors at any tier, the contractor will not be in default because of any failure to perform this contract under its terms if the failure arises from causes beyond the control and without the fault or negligence of the contractor.

Examples of these causes are (1) acts of God or of the public enemy, (2) acts of the government in its sovereign capacity or of the judiciary in its contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) unusually severe weather. In each instance, the failure to perform shall be beyond the control and without the fault or negligence of the contractor.

“Default” includes failure to make progress in the work so as to endanger performance.

- (b) If failure to perform is caused by the failure of a subcontractor at any tier to perform or make progress, and if the cause of the failure was beyond the control of both the contractor and subcontractor, and without the fault or negligence of either, the contractor will not be deemed to be in default, unless:
 - (1) the subcontract products or services were obtainable from other sources;
 - (2) the contracting officer ordered the contractor in writing to purchase these products or services from the other source; and
 - (3) the contractor failed to comply reasonably with this order.
- (c) Upon request of the contractor, the contracting officer will ascertain the facts and extent of the failure. If the contracting officer determines that any failure to perform resulted from one or more of the causes above, the delivery schedule will be revised, subject to the rights of the judiciary under the termination clause of this contract.

(end)

JP3 Clause 7-200, Judiciary Delay of Work

As prescribed in 7.8.8.j.(1), insert the following clause in Section F of solicitations and contracts.

Judiciary Delay of Work (JAN 2003)

- (a) If the performance of all or any part of the work of this contract is delayed or interrupted (1) by an act of the contracting officer in the administration of this contract that is not expressly or impliedly authorized by this contract, or (2) by a failure of the contracting officer to act within the time specified in this contract, or within a reasonable time if not specified, an adjustment (excluding profit) will be made for any increase in the cost of performance of this contract caused by the delay or interruption and the contract will be modified in writing accordingly. Adjustment will also be made in the delivery or performance dates and any other contractual term or condition affected by the delay or interruption. However, no adjustment will be made under this clause for any delay or interruption to the extent that performance would have been delayed or interrupted by any other cause, including the fault or negligence of the contractor, or for which an adjustment is provided or excluded under any other term or condition of this contract.
- (b) A claim under this clause will not be allowed:
 - (1) for any costs incurred more than 20 days before the contractor shall have notified the contracting officer in writing of the act or failure to act involved; and

- (2) unless the claim, in an amount stated, is asserted in writing as soon as practicable after the termination of the delay or interruption, but not later than the day of final payment under the contract.
(end)

JP3 Clause 7-205, Payment for Judiciary Holidays

As prescribed in chapter 7.8.8.j.(2) insert this clause in Section I of solicitations and contracts.

Payment for Judiciary Holidays (JAN 2003)

On judiciary holidays, on-site contractors are not entitled to compensation unless: 1) the contract requires the contractor to be on-site at the judiciary facility during the holiday; 2) the contract specifically provides for compensation to the contractor on Judiciary holidays; or 3) the contractor obtains approval from the Contracting Officer or designated Contracting Officer's Technical Representative to perform work at an off-site location. The following holidays are observed by the judiciary: New Years Day, Martin Luther King's Birthday, Presidential Inauguration Day (metropolitan DC area only), President's Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, Christmas Day.
(end)

JP3 Clause 7-210, Payment for Emergency Closures

As prescribed in chapter 7.8.8.j.(3) insert this clause in Section I of all solicitations and contracts.

Payment for Emergency Closures (AUG 2004)

During an emergency closure of the government taken in its sovereign capacity for the public good, the Judiciary is not obligated to compensate contractors during the emergency closure unless: 1) the contract specifically requires the contractor to be on-site at the Judiciary facility during an emergency closure; 2) the contract specifically provides for compensation to the contractor even when the government acts in its sovereign capacity; or 3) the contractor obtains approval from the Contracting Officer or designated Contracting Officer's Technical Representative to perform work at an off-site location.
(end)

JP3 Clause 7-215, Notification of Ownership Changes

As prescribed in 7.8.10.l., insert this clause in Section I of solicitations and contracts.

Notification of Ownership Changes (JAN 2003)

- (a) The contractor shall make the following notifications in writing:
 - (1) when the contractor becomes aware that a change in its ownership has occurred, or is certain to occur, that could result in changes in the valuation of its capitalized assets in the accounting records, the contractor shall notify the contracting officer within 30 days;
 - (2) the contractor shall also notify the contracting officer within 30 days whenever changes to asset valuations or any other cost changes have occurred or are certain to occur as a result of a change in ownership.
- (b) The contractor shall:
 - (1) maintain current, accurate, and complete inventory records of assets and their costs;
 - (2) provide the contracting officer or designated representative ready access to the records upon request;
 - (3) ensure that all-individual and grouped assets, their capitalized values, accumulated depreciation or amortization, and remaining useful lives are identified accurately before and after each of the contractor's ownership changes; and
 - (4) retain and continue to maintain depreciation and amortization schedules based on the asset records maintained before each contractor ownership change.
- (c) The contractor shall include the substance of this clause in all subcontracts under this contract.

(end)

JP3 Clause 7-220, Termination for Convenience of the Judiciary (Fixed-Price)

As prescribed in 7.10.3.k.(1), insert this clause in Section I of solicitations and contracts.

Termination for Convenience of the Judiciary (Fixed-Price) (JAN 2003)

- (a) The judiciary may terminate performance of work under this contract in whole or, from time to time, in part if the contracting officer determines that termination is in the judiciary's interest. The contracting officer will terminate by delivering to the contractor a notice of termination specifying the extent of the termination and the effective date.

- (b) After receipt of a notice of termination, and except as directed by the contracting officer, the contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this clause:
- (1) stop work as specified in the notice;
 - (2) place no further subcontracts or orders (referred to as subcontracts in this clause) for materials, services, or facilities except as necessary to complete the continued portion of the contract;
 - (3) terminate all orders and subcontracts to the extent they relate to the work terminated;
 - (4) assign to the judiciary, as directed by the contracting officer, all right, title, and interest of the contractor under the subcontracts terminated, in which case the judiciary shall have the right to settle or to pay any termination settlement offer arising out of those terminations;
 - (5) with written approval or ratification to the extent required by the contracting officer, settle all outstanding liabilities and termination settlement offers arising from the termination of subcontracts; the written approval or ratification will be final for purposes of this clause;
 - (6) as directed by the contracting officer, transfer title and deliver to the judiciary:
 - (i) the fabricated or unfabricated parts, work in process, completed work, supplies, and other material produced or acquired for the work terminated; and
 - (ii) the completed or partially completed plans, drawings, information, and other property that, if the contract had been completed, would be required to be furnished to the judiciary;
 - (7) complete performance of the work not terminated;
 - (8) take any action that may be necessary, or that the contracting officer may direct, for the protection and preservation of the property related to this contract that is in the possession of the contractor and in which the judiciary has or may acquire an interest;
 - (9) use its best efforts to sell, as directed or authorized by the contracting officer, any property of the types referred to in paragraph (b)(6) of this clause, *provided*, however, that the contractor (i) is not required to extend credit to any purchaser and (ii) may acquire the property under the conditions prescribed by, and at prices approved in writing by, the contracting officer. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by the judiciary under this contract, credited to the price or cost of the work, or paid in any other manner directed by the contracting officer.
- (c) The contractor shall submit complete termination inventory schedules no later than 120 days from the effective date of termination, unless extended in writing by the contracting officer upon written request of the contractor within this 120-day period.
- (d) After expiration of the plant clearance period, the contractor may submit to the contracting officer a list, certified as to quantity and quality, of termination inventory

not previously disposed of, excluding items authorized for disposition by the contracting officer. The contractor may request the judiciary to remove those items or enter into an agreement for their storage. Within 15 days, the judiciary will accept title to those items and remove them or enter into a storage agreement. The contracting officer may verify the list upon removal of the items, or if stored, within 45 days from submission of the list, and will correct the list, as necessary, before final settlement.

- (e) After termination, the contractor shall submit a final termination settlement offer to the contracting officer in the form and with the certification prescribed by the contracting officer. The contractor shall submit the offer promptly, but no later than 1 year from the effective date of termination, unless extended in writing by the contracting officer upon written request of the contractor within this 1-year period. However, if the contracting officer determines that the facts justify it, a termination settlement offer may be received and acted on after the 1 year or any extension. If the contractor fails to submit the offer within the time allowed, the contracting officer may determine, on the basis of information available, the amount, if any, due the contractor because of the termination and shall pay the amount determined.
- (f) Subject to paragraph (e) of this clause, the contractor and contracting officer may agree upon the whole or any part of the amount to be paid or remaining to be paid because of the termination. The amount may include a reasonable allowance for profit on work done. However, the agreed amount, whether under this paragraph (f) or paragraph (g) of this clause, exclusive of costs shown in paragraph (g)(3) of this clause, may not exceed the total contract price as reduced by (1) the amount of payments previously made and (2) the contract price of work not terminated. The contract will be modified, and the contractor paid the agreed amount. Paragraph (g) of this clause will not limit, restrict, or affect the amount that may be agreed upon to be paid under this paragraph.
- (g) If the contractor and the contracting officer fail to agree on the whole amount to be paid because of the termination of work, the contracting officer will pay the contractor amounts determined by the contracting officer as follow, but without duplication of any amounts agreed on under paragraph (f) of this clause:
 - (1) the contract price for completed products or services accepted by the judiciary (or sold or acquired under paragraph (b)(9) of this clause) not previously paid for, adjusted for any saving of freight and other charges;
 - (2) the total of:
 - (i) the costs incurred in the performance of the work terminated, including initial costs and preparatory expense allocable thereto, but excluding any costs attributable to products or services paid or to be paid under paragraph (g)(1) of this clause;
 - (ii) the cost of settling and paying termination settlement offers under terminated subcontracts that are properly chargeable to the terminated portion of the contract if not included in subdivision (g)(2)(i) of this clause; and

- (iii) a sum, as profit on subdivision (g)(2)(i) of this clause, determined by the contracting officer; in effect on the date of the contract, to be fair and reasonable; however, if it appears that the contractor would have sustained a loss on the entire contract had it been completed, the contracting officer will allow no profit under this subdivision (g)(2)(iii) and will reduce the settlement to reflect the indicated rate of loss.
- (3) the reasonable costs of settlement of the work terminated, including:
 - (i) accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement offers and supporting data;
 - (ii) the termination and settlement of subcontracts (excluding the amounts of such settlements); and
 - (iii) storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory.
- (h) Except for normal spoilage, and except to the extent that the judiciary expressly assumed the risk of loss, the contracting officer will exclude from the amounts payable to the contractor under paragraph (g) of this clause, the fair value, as determined by the contracting officer, of property that is destroyed, lost, stolen, or damaged so as to become undeliverable to the judiciary or to a buyer.
- (i) The cost principles and procedures of JP3 Chapter 4, in effect on the date of this contract, will govern all costs claimed, agreed to, or determined under this clause.
- (j) The contractor shall have the right of appeal under the Disputes clause, from any determination made by the contracting officer under paragraph (e), (g), or (l) of this clause, except that if the contractor has failed to submit the termination settlement offer or request for equitable adjustment within the time provided in paragraph (e) or (l), respectively, and failed to request an extension of time, there is no right of appeal.
- (k) In arriving at the amount due the contractor under this clause, there will be deducted:
 - (1) all unliquidated advance or other payments to the contractor under the terminated portion of this contract;
 - (2) any claim which the judiciary has against the contractor under this contract; and
 - (3) the agreed price for, or the proceeds of sale of materials, products, or other things acquired by the contractor or sold under the provisions of this clause and not recovered by or credited to the judiciary.
- (l) If the termination is partial, the contractor may file an offer with the contracting officer for an equitable adjustment of the price(s) of the continued portion of the contract. The contracting officer will make any equitable adjustment agreed upon. Any offer by the contractor for an equitable adjustment under this clause shall be requested within 90 days from the effective date of termination unless extended in writing by the contracting officer.
- (m) (1) The judiciary may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by the contractor for the terminated portion of the contract, if the contracting officer believes the total of

these payments will not exceed the amount to which the contractor will be entitled.

- (2) If the total payments exceed the amount finally determined to be due, the contractor shall repay the excess to the judiciary upon demand, together with interest computed at the rate established by the Secretary of the Treasury under 50 U.S.C. App. 1215(b)(2). Interest will be computed for the period from the date the excess is repaid. Interest will not be charged on any excess payment due to a reduction in the contractor's termination settlement offer because of retention or other disposition of termination inventory until 10 days after the date of the retention or disposition, or a later date determined by the contracting officer because of the circumstances.
- (n) Unless otherwise provided in this contract, or by statute, the contractor shall maintain all records and documents relating to the terminated portion of this contract for 3 years after final settlement. This includes all books and other evidence bearing on the Contractor's costs and expenses under this contract. The contractor shall make these records and documents available to the judiciary, at the contractor's office, at all reasonable times, without any direct charge. If approved in writing by the contracting officer, photographs, microphotographs, or other authentic reproductions may be maintained instead of original records and documents.
- (end)

JP3 Clause 7-223 Termination for Convenience of the Judiciary (Short Form)

As prescribed in 7.10.3.k.(2), insert this clause in Section I of solicitations and contracts.

Termination for Convenience of the Judiciary (Short Form) (AUG 2004)

The contracting officer, by written notice, may terminate this contract, in whole or in part, when it is in the judiciary's interest. If this contract is terminated, the judiciary shall be liable only for payment under the payment provisions of this contract for products received or services rendered before the effective date of termination.

(end)

JP3 Clause 7-225, Termination for Convenience (Cost-Reimbursement)

As prescribed in 7.10.3.k.(3), insert this clause in Section I of solicitations and contracts.

Termination for Convenience (Cost-Reimbursement) (AUG 2004)

- (a) The judiciary may terminate performance of work under this contract in whole or, from time to time, in part, if:

- (1) the contracting officer determines that a termination is in the judiciary's interest;
or
 - (2) the contractor defaults in performing this contract and fails to cure the default within 10 days (unless extended by the contracting officer) after receiving a notice specifying the default. "Default" includes failure to make progress in the work so as to endanger performance.
- (b) The contracting officer will terminate by delivering to the contractor a notice of termination specifying whether termination is for default of the contractor or for convenience of the judiciary, the extent of termination, and the effective date. If, after termination for default, it is determined that the contractor was not in default or that the contractor's failure to perform or to make progress in performance is due to causes beyond the control and without the fault or negligence of the contractor as set forth in the Excusable Delays clause, the rights and obligations of the parties will be the same as if the termination was for the convenience of the judiciary.
- (c) After receipt of a Notice of Termination, and except as directed by the contracting officer, the contractor shall immediately proceed with the following obligations, regardless of any delay in determining or adjusting any amounts due under this clause:
 - (1) stop work as specified in the notice;
 - (2) place no further subcontracts or orders (referred to as subcontracts in this clause), except as necessary to complete the continued portion of the contract;
 - (3) terminate all subcontracts to the extent they relate to the work terminated;
 - (4) assign to the judiciary, as directed by the contracting officer, all right, title, and interest of the contractor under the subcontracts terminated, in which case the judiciary will have the right to settle or to pay any termination settlement offer arising out of those terminations;
 - (5) with written approval or ratification to the extent required by the contracting officer, settle all outstanding liabilities and termination settlement offers arising from the termination of subcontracts, the cost of which would be reimbursable in whole or in part, under this contract; written approval or ratification will be final for purposes of this clause;
 - (6) transfer title (if not already transferred) and, as directed by the contracting officer, deliver to the judiciary:
 - (i) the fabricated or unfabricated parts, work in process, completed work, products, and other material produced or acquired for the work terminated;
 - (ii) the completed or partially completed plans, drawings, information, and other property that, if the contract had been completed, would be required to be furnished to the judiciary; and
 - (iii) the jigs, dies, fixtures, and other special tools and tooling acquired or manufactured for this contract, the cost of which the contractor has been or will be reimbursed under this contract;
 - (7) complete performance of the work not terminated;

- (8) take any action that may be necessary, or that the contracting officer may direct, for the protection and preservation of the property related to this contract that is in the possession of the contractor and in which the judiciary has or may acquire an interest.
- (9) use its best efforts to sell, as directed or authorized by the contracting officer, any property of the types referred to in paragraph (c)(6) of this clause; *provided, however*, that the contractor (i) is not required to extend credit to any purchaser and (ii) may acquire the property under the conditions prescribed by, and at prices approved in writing by the contracting officer. The proceeds of any transfer or disposition will be applied to reduce any payments to be made by the judiciary under this contract, credited to the price or cost of the work, or paid in any other manner directed by the contracting officer.
- (d) The contractor shall submit complete termination inventory schedules no later than 120 days from the effective date of termination, unless extended in writing by the contracting officer upon written request of the contractor within this 120-day period.
- (e) After expiration of the plant clearance period, the contractor may submit to the contracting officer a list, certified as to quantity and quality, of termination inventory not previously disposed of, excluding items authorized for disposition by the contracting officer. The contractor may request the judiciary to remove those items or enter into an agreement for their storage. Within 15 days, the judiciary will accept the items and remove them or enter into a storage agreement. The contracting officer may verify the list upon removal of the items, or if stored, within 45 days from submission of the list, and will correct the list, as necessary, before final settlement.
- (f) After termination, the contractor shall submit a final termination settlement offer to the contracting officer in the form and with the certification prescribed by the contracting officer. The contractor shall submit the offer promptly, but no later than 1 year from the effective date of termination, unless extended in writing by the contracting officer upon written request of the contractor within this 1-year period. However, if the contracting officer determines that the facts justify it, a termination settlement offer may be received and acted on after 1 year or any extension. If the contractor fails to submit the offer within the time allowed, the contracting officer may determine, on the basis of information available, the amount, if any, due the contractor because of the termination and will pay the amount determined.
- (g) Subject to paragraph (f) of this clause, the contractor and the contracting officer may agree on the whole or any part of the amount to be paid (including an allowance for fee) because of the termination. The contract will be amended, and the contractor paid the agreed amount.
- (h) If the contractor and the contracting officer fail to agree in whole or in part on the amount of costs and/or fee to be paid because of the termination of work, the contracting officer will determine, on the basis of information available, the amount, if any, due the contractor, and will pay that amount, which will include the following:

- (1) all costs reimbursable under this contract, not previously paid, for the performance of this contract before the effective date of the termination, and those costs that may continue for a reasonable time with the written approval of or as directed by the contracting officer; however, the contractor shall discontinue those costs as rapidly as practicable;
 - (2) the cost of settling and paying termination settlement offers under terminated subcontracts that are properly chargeable to the terminated portion of the contract if not included in paragraph (h)(1) of this clause;
 - (3) the reasonable costs of settlement of the work terminated, including:
 - (i) accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement offers and supporting data;
 - (ii) the termination and settlement of subcontracts (excluding the amounts of such settlements); and
 - (iii) storage, transportation, and other costs incurred, reasonably necessary for the preservation, protection, or disposition of the termination inventory. If the termination is for default, no amounts for the preparation of the contractor's termination settlement offer may be included;
 - (4) a portion of the fee payable under the contract, determined as follows:
 - (i) if the contract is terminated for the convenience of the judiciary, the settlement will include a percentage of the fee equal to the percentage of completion of work contemplated under the contract, but excluding subcontract effort included in subcontractors' termination offers, less previous payments for fee;
 - (ii) if the contract is terminated for default, the total fee payable will be such proportionate part of the fee as the total number of articles (or amount of services) delivered to and accepted by the judiciary is to the total number of articles (or amount of services) of a like kind required by the contract.
 - (5) If the settlement includes only fee, it will be determined under paragraph (h)(4) of this clause.
- (i) The cost principles and procedures in effect on the date of this contract, will govern all costs claimed, agreed to, or determined under this clause.
 - (j) The contractor shall have the right of appeal, under the Disputes clause, from any determination made by the contracting officer under paragraph (f), (h), or (l) of this clause, except that if the contractor failed to submit the termination settlement offer within the time provided in paragraph (f) and failed to request a time extension, there is no right of appeal. If the contracting officer has made a determination of the amount due under paragraph (f), (h) or (l) of this clause, the judiciary will pay the contractor:
 - (1) the amount determined by the contracting officer if there is no right of appeal or if no timely appeal has been taken or
 - (2) the amount finally determined on an appeal.

- (k) In arriving at the amount due the contractor under this clause, there will be deducted:
 - (1) all unliquidated advance or other payments to the contractor, under the terminated portion of this contract;
 - (2) any claim which the judiciary has against the contractor under this contract; and
 - (3) the agreed price for, or the proceeds of sale of materials, products, or other things acquired by the contractor or sold under this clause and not recovered by or credited to the judiciary.
- (l) The contractor and contracting officer shall agree to any equitable adjustment in fee for the continued portion of the contract when there is a partial termination. The contracting officer will amend the contract to reflect the agreement.
- (m)
 - (1) The judiciary may, under the terms and conditions it prescribes, make partial payments and payments against costs incurred by the contractor for the terminated portion of the contract, if the contracting officer believes the total of these payments will not exceed the amount to which the contractor will be entitled.
 - (2) If the total payments exceed the amount finally determined to be due, the contractor shall repay the excess to the judiciary upon demand, together with interest computed at the rate established by the Secretary of the Treasury under 50 U.S.C. App. 1215(b)(2). Interest will be computed for the period from the date the excess payment is received by the contractor to the date the excess is repaid. Interest will not be charged on any excess payment due to a reduction in the contractor's termination settlement offer because of retention or other disposition of termination inventory until 10 days after the date of the retention or disposition, or a later date determined by the contracting officer because of the circumstances.
- (n) The provisions of this clause relating to fee are inapplicable if this contract does not include a fee.

Alternate I - *As prescribed in 7.10.3.k.(3), substitute the following paragraphs (h) and (l) for paragraphs (h) and (l) of the basic Clause 7-225.*

- (h) If the contractor and the contracting officer fail to agree in whole or in part on the amount to be paid because of the termination of work, the contracting officer will determine, on the basis of information available, the amount, if any, due the contractor and will pay the amount determined as follows:
 - (1) If the termination is for the convenience of the judiciary, include:
 - (i) an amount for direct labor hours (as defined in the schedule of the contract) determined by multiplying the number of direct labor hours expended before the effective date of termination by the hourly rate(s) in the schedule, less any hourly rate payments already made to the contractor;

- (ii) an amount (computed under the provisions for payment of materials) for material expenses incurred before the effective date of termination, not previously paid to the contractor;
 - (iii) an amount for labor and material expenses computed as if the expenses were incurred before the effective date of termination, if they are reasonably incurred after the effective date, with the approval of or as directed by the contracting officer; however, the contractor shall discontinue these expenses as rapidly as practicable;
 - (iv) if not included in subdivision (h)(1)(i), (ii), or (iii) of this clause, the cost of settling and paying termination settlement proposals under terminated subcontracts that are properly chargeable to the terminated portion of the contract; and
 - (v) the reasonable costs of settlement of the work terminated; including:
 - (A) accounting, legal, clerical, and other expenses reasonably necessary for the preparation of termination settlement proposals and supporting data;
 - (B) the termination and settlement of subcontracts (excluding the amounts of such settlements); and
 - (C) storage, transportation, and other costs incurred, reasonably necessary for the protection or disposition of the termination inventory.
- (2) If the termination is for default of the contractor, include the amounts computed under paragraph (h)(1) of this clause but omit:
 - (i) any amount for preparation of the contractor's termination settlement proposal; and
 - (ii) the portion of the hourly rate allocable to profit for any direct labor hours expended in furnishing materials and services not delivered to and accepted by the judiciary.
- (l) If the termination is partial, the contractor may file with the contracting officer a proposal for an equitable adjustment of price(s) for the continued portion of the contract. The contracting officer will make any equitable adjustment agreed upon. Any proposal by the contractor for an equitable adjustment under this clause shall be requested within 90 days from the effective date of termination, unless extended in writing by the contracting officer.

(end)

JP3 Clause 7-230, Termination for Default (Fixed-Price - Products and Services)

As prescribed in 7.10.7.n.(1), insert this clause in Section I of solicitations and contracts.

Termination for Default (Fixed-Price - Products and Services) (JAN 2003)

- (a) (1) The judiciary may, subject to paragraphs (c) and (d) of this clause, by written notice of default to the contractor, terminate this contract in whole or in part if the contractor fails to:
 - (i) deliver the products or to perform the services within the time specified in this contract or any extension;
 - (ii) make progress, so as to endanger performance of this contract (but see paragraph (a)(2) of this clause); or
 - (iii) perform any of the other provisions of this contract (but see paragraph (a)(2) of this clause).
- (2) The judiciary's right to terminate this contract under subdivisions (a)(1)(ii) and (1)(iii) of this clause, may be exercised if the contractor does not cure the failure within 10 days (or more if authorized in writing by the contracting officer) after receipt of the notice from the contracting officer specifying the failure.
- (b) If the judiciary terminates this contract in whole or in part, it may acquire, under the terms and in the manner the contracting officer considers appropriate, products or services similar to those terminated, and the contractor will be liable to the judiciary for any excess costs for those products or services. However, the contractor shall continue the work not terminated.
- (c) Except for defaults of subcontractors at any tier, the contractor shall not be liable for any excess costs if the failure to perform the contract arises from causes beyond the control and without the fault or negligence of the contractor. Examples of such causes include (1) acts of God or of the public enemy, (2) acts of the government in its sovereign capacity or of the judiciary in its contractual capacity, (3) fires, (4) floods, (5) epidemics, (6) quarantine restrictions, (7) strikes, (8) freight embargoes, and (9) unusually severe weather. In each instance the failure to perform shall be beyond the control and without the fault or negligence of the contractor.
- (d) If the failure to perform is caused by the default of a subcontractor at any tier, and if the cause of the default is beyond the control of both the contractor and subcontractor, and without the fault or negligence of either, the contractor shall not be liable for any excess costs for failure to perform, unless the subcontracted products or services were obtainable from other sources in sufficient time for the contractor to meet the required delivery schedule.
- (e) If this contract is terminated for default, the judiciary may require the contractor to transfer title and deliver to the judiciary, as directed by the contracting officer, any (1) completed products, and (2) partially completed products, and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights (collectively

- referred to as “manufacturing materials” in this clause) that the contractor has specifically produced or acquired for the terminated portion of this contract. Upon direction of the contracting officer, the contractor shall also protect and preserve property in its possession in which the judiciary has an interest.
- (f) The judiciary will pay the contract price for completed products delivered and accepted. The contractor and contracting officer will agree on the amount of payment for manufacturing materials delivered and accepted and for the protection and preservation of the property. Failure to agree will be a dispute under the Disputes clause. The judiciary may withhold from these amounts any sum the contracting officer determines to be necessary to protect the judiciary against loss because of outstanding liens or claims of former lien holders.
 - (g) If, after termination, it is determined that the contractor was not in default, or that the delay was excusable, the rights and obligations of the parties will be the same as if the termination had been issued for the convenience of the judiciary.
 - (h) The rights and remedies of the judiciary in this clause are in addition to any other rights and remedies provided by law or under this contract.
- (end)

JP3 Clause 7-235, Disputes

As prescribed in 4.1.9.f., and 7.10.7.n.(2), insert this clause in Section I of solicitations and contracts.

Disputes (JAN 2003)

- (a) A contract dispute means a written claim, demand or assertion by a contracting party for the payment of money in a sum certain, the adjustment or interpretation of contract terms, or other specific relief arising under or relating to the contract. A dispute also includes a termination for convenience settlement proposal and any request for an equitable adjustment, which is denied. A voucher, invoice, or other routine payment that is not disputed by the parties is not a dispute under this clause.
- (b) A contract dispute shall be filed within 12 months of its accrual and shall be submitted in writing to the contracting officer. The dispute shall contain a detailed statement of the legal and factual basis of the dispute and shall be accompanied by any documents that support the claim. The claimant shall seek specific relief, as provided in paragraph (a) above. However, the time periods set forth here shall be superceded if the contract contains specific provisions for the processing of any claim which would otherwise be considered a dispute under this clause.
- (c) Contracting officers are authorized to decide or settle all disputes under this clause. If the contracting officer requires additional information the contracting officer shall promptly request the claimant to provide such information. The contracting officer will issue a written determination within 60 days of the receipt of all the requested

information from the claimant. If the contracting officer is unable to render a determination within 60 days, the claimant shall be notified of the date on which a determination will be made. The determination of the contracting officer shall be considered the final determination of the judiciary.

- (d) The contractor shall proceed diligently with performance of this contract pending resolution of the dispute. The contractor shall comply with the final determination of the contracting officer unless such determination is overturned by a court of competent jurisdiction. Failure to diligently continue contract performance during the pendency of the claim or failure to comply with the final determination of the contracting officer may result in termination of the contract for default or imposition of other available remedies.
- (end)

Appendix C - Cost Accounting Standards

The official codified Cost Accounting Standards appear at 48 CFR Chapter 99.

This Chapter may be accessed via the website at <http://www.access.gpo.gov/nara/cfr> by searching for "48CFR9903".